

## Message Text

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ACTION STR-07

INFO OCT-01 STRE-00 ISO-00 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05  
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05  
SS-15 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01  
DOE-15 AF-10 ARA-10 EA-10 EUR-12 NEA-11 IO-13  
DOEE-00 SSO-00 /167 W  
-----052186 091731Z /42

P 091639Z MAY 78  
FM USMISSION GENEVA  
TO SECSTATE WASHDC PRIORITY 9402  
INFO AMEMBASSY HELSINKI  
AMEMBASSY OSLO  
AMEMBASSY STOCKHOLM

LIMITED OFFICIAL USE SECTION 01 OF 03 GENEVA 07072

USMTN  
ACTION STR PASS ELECTRICALLY  
STR PASS CODEL

E.O.11652:N/A  
TAGS: MTN, ETRD, SW  
SUBJECT: U.S./SWEDEN BILATERAL ON SWEDISH INDUSTRIAL  
TARIFF REQUESTS

1. SUMMARY. ON APRIL 27 U.S. MTN DEL (BALE, ST. MAXENS)  
MET WITH SWEDISH MTN DEL (LEMMEL ET AL) FOR DISCUSSION OF  
SWEDISH INDUSTRIAL TARIFF REQUESTS. SWEDEN REGISTERED  
CONCERN/DISAPPOINTMENT WITH U.S. OFFERS ON SPECIALTY  
STEEL, GLASS, GLASSWARE, FOOTWEAR, TEXTILES, AND CHEMICALS.  
DETAILED ITEM-BY-ITEM REVIEW OF SWEDISH REQUEST LIST  
ENSUED, WITH SWEDISH DEL PROVIDING SOME CLARIFICATION OF  
INTERESTS. NORWEGIAN AND FINNISH DELS, WHO ATTENDED  
EARLY PART OF SESSION, NOTIFIED US THAT THEIR TARIFF  
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OFFERS WOULD BE TABLED SOON. END SUMMARY.

2. U.S. DEL OPENED SESSION BY NOTING FOR BENEFIT OF  
NORWEGIAN AND FINNISH DELS THAT TWO MONTHS HAVE ELAPSED  
SINCE THE TABLING OF OFFERS BY MAJOR MTN PARTICIPANTS BUT  
OFFERS FROM THREE FORMULA COUNTRIES STILL REMAIN OUT-  
STANDING, INCLUDING NORWAY AND FINLAND. U.S. DEL EMPHASI-

ZED THAT DELAYS PLACED JULY TIMETABLE IN JEOPARDY AND ASKED WHEN WE COULD EXPECT RECEIPT OF OFFERS. NORWEGIAN DEL INDICATED ITS OFFER SHOULD BE READY SOON SINCE "TECHNICALLY" THE OFFER IS ALMOST READY. IN RESPONSE TO OUR QUERY, FINNISH DEL IMPLIED THAT THEY WERE WAITING FOR RECEIPT OF EC WITHDRAWAL LIST BEFORE TABLING THEIR OFFER. U.S. DEL NOTED OUR DISAPPROVAL OF THIS TACTIC, STATING THAT COUNTRIES SHOULD MAKE THEIR INITIAL OFFERS SOLELY ON THE BASIS OF THE WORKING HYPOTHESIS WITH POSSIBLE ALLOWANCES FOR ECONOMIC EXCEPTIONS. THE DELAY ALONE IS A PROBLEM, BUT A CAT-AND-MOUSE GAME WITH THE EC IS PARTICULARLY WORRISOME. COMMENT: FOUR DAYS LATER HAGFORS INFORMED U.S. DEL THAT FINNISH OFFER WOULD BE TRANSMITTED MOMENTARILY. END COMMENT.

3. SWEDISH DEL PREFACED EXAMINATION OF SWEDISH REQUESTS BY NOTING THAT U.S. OFFER WAS SUBSTANTIAL AND A GOOD BASIS FOR NEGOTIATION. BEFORE DELVING INTO ITEM-BY-ITEM REVIEW OF REQUESTS, SWEDISH DEL MADE THE FOLLOWING SECTORAL COMMENTS:

(A) ON CHEMICALS, SWEDISH DEL EXPRESSED UNEASINESS ABOUT THE DELAY IN SPECIFYING THE U.S. OFFER FOR ASP ITEMS AND CONCERN THAT IN THE DISMANTLING OF THE ASP METHOD OF VALUATION THERE MIGHT NOT BE ANY REDUCTION IN THE LEVEL OF PROTECTION. U.S. DEL NOTED THAT ONLY 1.7 LIMITED OFFICIAL USE

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PERCENT OF U.S. IMPORTS FROM SWEDEN WERE SUBJECT TO ASP IN 1976. SWEDISH DEL INDICATED THAT PRIMARY CONCERN IS THAT FAILURE OF U.S. TO REDUCE LEVEL OF PROTECTION IN ASP CHEMICAL ITEMS WOULD DIVERT TRADE TO OTHER COUNTRIES' MARKETS INCLUDING SWEDEN.

(B) SWEDISH DEL STATED THAT U.S. EXCEPTIONS AND OTHER "TO BE SPECIFIED" ITEMS FALL INTO IMPORTANT SWEDISH EXPORT ITEMS, E.G., SPECIALTY STEEL, GLASSWARE, GLASS, FOOTWEAR, AND TEXTILES. SWEDISH DEL FURTHER NOTED THAT U.S. PARTIAL AND FULL EXCEPTIONS ENCOMPASS 75 PERCENT OF THEIR GLASS EXPORTS TO THE U.S., 81 PERCENT OF GLASSWARE EXPORTS, 62 PERCENT OF TEXTILE EXPORTS, AND VIRTUALLY ALL FOOTWEAREXPORTS. SWEDISH DEL EXPLAINED THAT THESE SECTORS WERE EXTREMELY IMPORTANT IN A REGIONAL CONTEXT, I.E., LOW LEVELS OF ALTERNATIVE EMPLOYMENT. U.S. DEL RESPONDED THAT U.S. FACED SAME SITUATION.

(C) ON STEEL, SWEDISH DEL COMMENTED THAT MANDATORY AND ECONOMIC EXCEPTIONS ON SPECIALTY STEEL (58 PERCENT OF SWEDISH STEEL EXPORTS TO U.S.) MADE U.S. OFFER DIFFI-

CULT FOR SWEDEN DOMESTICALLY. SWEDISH DEL CITED  
STATISTICS FROM 1977 ANNUAL REPORTS OF U.S. STEEL  
FIRMS AS EVIDENCE OF IMPROVING ECONOMIC HEALTH OF U.S.  
INDUSTRY. AS IN LAST TARIFF BILATERAL, SWEDISH DEL  
ACKNOWLEDGED STATUTORY RESTRICTIONS ON NEGOTIABILITY OF  
SPECIALTY STEEL ITEMS BUT UNDERScored THEIR INTEREST IN  
OBTAINING REDUCTIONS ON THESE ITEMS. THEY NOTED THAT THE  
PRESIDENT IS EMPOWERED TO TERMINATE IMPORT RELIEF AFTER  
RECEIVING CERTAIN ADVISORY INPUT, AND SUGGESTED THE POS-  
SIBILITY OF DISCONTINUING THE QUOTAS AND PLACING SPECIALTY  
STEEL UNDER THE TPM. U.S. DEL STATED THAT THE TPM WAS  
ESTABLISHED TO HANDLE DUMPING MATTERS AND THAT U.S.

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DOEE-00 SSO-00 /167 W

-----106559 151923Z /43/42

P 091639Z MAY 78

FM USMISSION GENEVA  
TO SECSTATE WASHDC PRIORITY 9403  
INFO AMEMBASSY HELSINKI  
AMEMBASSY OSLO  
AMEMBASSY STOCKHOLM

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ACTION STR PASS ELECTRICALLY, STR PASS CODEL

C O R R E C T E D C O P Y FOR PARA 5 SUBJ PARA 7 DELETE TWO

SPECIALTY STEEL PROBLEMS STEMMED FROM GENERAL IMPORTS.  
SWEDISH DEL AGAIN STRESSED IMPORTANCE OF U.S. MAKING  
OFFER ON SPECIALTY STEEL ITEMS AND ASKED THAT THEIR  
REQUEST BE FORWARDED TO THE HIGHEST GOVERNMENT LEVELS.

4. U.S. DEL COMMENTED GENERALLY ON SWEDISH REQUEST LIST,  
NOTING THAT OF THE 80 ITEMS REQUESTED, 45 WERE CURRENTLY

OFFERED AT FORMULA OR GREATER REDUCTIONS, 18 WERE PARTIAL OR FULL ECONOMIC EXCEPTIONS, AND 17 WERE MANDATORY EXCEPTIONS. ALSO 71 PERCENT OF THEIR REQUESTS FALL INTO TSUS SCHEDULE 6. SWEDES STATED THAT THIS WAS THEIR "FIRST" REQUEST LIST (MODIFICATIONS MAY FOLLOW LATER). ITEMS WITHIN THE LIST HAVE NOT BEEN RANKED IN TERMS OF LIMITED OFFICIAL USE

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PRIORITY INTERESTS (OTHER THAN SPECIALTY STEEL), AND THE LIST DOES NOT INCLUDE SWEDISH INTEREST IN "TO BE SPECIFIED"(TBS) ITEMS.

5. IN ITEM-BY-ITEM REVIEW OF SWEDISH REQUESTS, U.S. DEL INDICATED SUPPLIER POSITIONS AND GENERAL BACKGROUND INFORMATION (PARTICULARLY FOR PARTIAL AND FULL EXCEPTIONS) ON EACH ITEM. THE FOLLOWING LIST IDENTIFIES MOST IMPORTANT ITEMS OF INTEREST TO SWEDEN IDENTIFIED IN BILATERAL:

-- SILVA LAMINATED WOODEN VENEER TRAYS (206.98) - THIS EX-OUT REQUEST INVOLVES CERTAIN TRAYS WITH THE BRAND NAME "SILVA"; SWEDEN'S SHARE OF U.S. IMPORTS IN 1976 EQUALS 1 PERCENT OF 5-DIGIT ITEM; (BROCHURES GIVEN TO U.S. DEL WILL BE SENT WITH NEXT AVAILABLE TRAVELER);

-- ROPE, MADE FROM SYNTHETIC FIBERS (316.6020) - SWEDISH DEL INFORMED US THAT THIS IS NOT AN EX-OUT REQUEST. SWEDEN'S MARKET SHARE EQUALS LESS THAN 1 PERCENT;

-- BRASSIERES (376.2445, .2845) - SWEDES WILL CONSIDER EX-OUT POSSIBILITY, MAYBE BASED ON SIZE (SIC). SWEDEN'S MARKET SHARE EQUALS LESS THAN 1 PERCENT;

-- ROUND WIRE OF STAINLESS STEEL (609.4510, .4540) - TWO HIGH PRIORITY ITEMS; SWEDEN'S MARKET SHARE EQUALS 41 AND 28 PERCENT, RESPECTIVELY;

-- HOLLOW BARS, OF STAINLESS STEEL (610.5130) - HIGH PRIORITY ITEM; SWEDEN'S MARKET SHARE EQUALS 46 PERCENT;

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-- PLATED OR PLASTIC COVERED TUBES, ETC. (610.37) - DESCRIPTION DOES NOT MATCH TSUS NUMBER, SWEDISH DEL WILL RE-EXAMINE REQUEST;

-- JACK TUBES, ETC. (657.2010, .2015) - EX-OUT  
REQUEST, MAIN INTEREST IS IN 657.2015; SWEDEN'S MARKET  
SHARE FOR .2015 EQUALS 3 PERCENT;

-- CYLINDERS FOR FIRE EXTINGUISHERS (662.50) -  
EX-OUT REQUEST; SWEDEN'S MARKET SHARE EQUALS 1 PERCENT;

-- METAL ROLLING MILLS, ETC. (674.20) - EX-OUT  
REQUEST; SWEDEN'S MARKET SHARE EQUALS 20 PERCENT;

-- SPARE PARTS FOR HYDRAULIC PRESSES (674.5320) -  
EX-OUT REQUEST; SWEDEN'S MARKET SHARE EQUALS 1 PERCENT;

-- ACCESSORIES FOR WOOD-WORKING MACHINERY (674.56) -  
EX-OUT REQUEST; SWEDEN'S MARKET SHARE EQUALS 1 PERCENT;

-- BIOLOGICAL TOILETS (678.50) - AN EX-OUT REQUEST  
(BROCHURES PROVIDED); SWEDEN'S MARKET SHARE EQUALS 1  
PERCENT;

-- TRUCKS VALUED AT \$1,000 OR MORE (692.02) -  
INTERESTED IN REMOVAL OF CHICKEN WAR DUTY OF 25 PERCENT  
AD VALOREM; NO IMPORTS FROM SWEDEN IN 1976;

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-----052265 091732Z /42

P 091639Z MAY 78  
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ACTION STR PASS ELECTRICALLY; STR PASS CODEL

-- TRUCKS VALUED AT \$1,000 OR MORE (692.02) -  
INTERESTED IN REMOVAL OF CHICKEN WAR DUTY OF 25 PERCENT  
AD VALOREM; NO IMPORTS FROM SWEDEN IN 1976;

-- WOODEN CLOGS (700.83) - QUESTIONED U.S. NEED FOR  
MANDATORY EXCEPTION; SWEDEN'S MARKET SHARE EQUALS 17  
PERCENT;

-- RESPIRATORS (709.45) - KEEN INTEREST; SWEDEN'S  
MARKET SHARE EQUALS 7 PERCENT;

-- INSTRUMENTS FOR NONDESTRUCTIVE TESTING OF  
FERROUS AND NONFERROUS PRODUCTS (712.49) - AN EX-OUT  
REQUEST, MAY BE SATISFIED WITH ROUNDING OF CURRENT  
OFFER DOWN TO 5.5 PERCENT; SWEDEN'S MARKET SHARE EQUALS  
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3 PERCENT;

-- CHAIRS, WOOD (727.30) - MAIN INTEREST IS IN  
727.3040, SWEDISH INDUSTRY (LIKE U.S.) HAS LOST MARKET  
SHARE FROM GSP IMPLEMENTATION; SWEDEN'S MARKET SHARE  
EQUALS 1 PERCENT.

SWEDISH DEL ALSO NOTED THAT A REQUEST FOR FURTHER TARIFF  
REDUCTIONS ON PRECISION AMMUNITION MAY BE FORTHCOMING.

6. ANOTHER BILATERAL SESSION WAS TENTATIVELY SCHEDULED  
FOR MAY 12, AT WHICH TIME U.S. DEL WILL REVIEW U.S.  
INDUSTRIAL TARIFF REQUESTS TO SWEDEN, PROVIDED OF COURSE  
SUCH REQUESTS ARE RECEIVED FROM WASHINGTON IN NEAR FUTURE.

7. DRAFTED BY ST. MAXENS. MCDONALD

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TARIFFS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Office:** ACTION STR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 6  
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**Review Exemptions:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2754847  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** U.S./SWEDEN BILATERAL ON SWEDISH INDUSTRIAL TARIFF REQUESTS  
**TAGS:** ETRD, SW, US, MTN  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/509e2aa2-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
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